Approved For Release 2002/06/11: CIA-RDP66B00728R000400020034-7

1 November 1963 Refer: SD 547

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Subject: Executed Contract No. FI 5777

Enclosure: (A) Original and Two (2) Copies Executed Contract No. FI 5777

Dear Art:

Enclosed please find the original and two (2) copies of Contract No. FI 5777, dated 15 July 1963, for four (4) "A" Follow-on Systems, executed on behalf of Fairchild Space and Defense Systems.

Pursuant to our discussions relative to the appropriate language that could be incorporated by reference in this contract to cover Fairchild's liability in shipping the units from the point of inspection here at Fairchild to the point of destination, the following language is submitted herewith for your approval:

"Final acceptance to be by the customer at the F.O.B. point, with the Contractor to be responsible for any damage incurred from the time period of the preliminary acceptance at the Contractor's plant and the time of final acceptance at the F.O.B. point unless the Contractor shall establish that the damage was caused solely by forces, agencies, or personnel other than Contractor's personnel."

In addition, in reviewing the contract, I have noticed that the provision for the free use of Government facilities under Air Force Contract AF 33 (600)-24973, as amended, has been omitted and is required by Fairchild on this contract.

I would appreciate your advising me as soon as practicable as to when this contract can be amended for the two exceptions cited above.

STATINTL

Encls. (3) Let Ariel

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